REMARKS

In accordance with the Examiner's findings in paragraphs 3 and 4 of the Office Action dated March 19, 2004 (hereafter "Office Action"), and without comment as to the propriety of such findings, Applicants have amended their claims. Claims 33-35, 41-43 and 53 have been canceled, without prejudice. Claims 30 and 38 have been amended to reconcile the reference to "upper block (B1)". No new matter has been added. Reconsideration and withdrawal of the objections and/or rejections set forth in paragraphs 3 and 4 of the Office Action is respectfully solicited.

Applicant has added Claims 54-61. Support for these new claims appears, for example, in the flow-chart of Figure 12, and its corresponding description at specification pages 16-20 (as well as elsewhere in the specification). No new matter has been added.

Rejection Based on Section 103(a)

The Examiner has presently rejected Claims 1, 30-31, 33-35, 37-39, and 41-53 and 30-43 as unpatentable under 35 U.S.C. Section 103(a) by the disclosure of U.S. Patent No. 5,011,292 issued to Kuriacose, et al. ("Kuriacose") in view of the disclosure of U.S. Patent No. 2,905,756 issued to Graham ("Graham"). Applicants respectfully traverse the rejection as to all claims affected for the reasons which follow.

At the outset, Applicants object strenuously to the rejection, pointing out that many of the claims under rejection were previously examined, and the requisite prior art search presumably performed. Nonetheless, the Examiner now cites two patents in combination as a grounds for rejection based on supposed obviousness of the named claims, whereas such rejection was not

previously advanced or asserted. This after Applicants overcame a prior rejection based on a separate patent to gain allowance of the affected claims (or so Applicant's thought).

Rather than an allowance, however, Applicants instead received a newly advanced rejection, citing different patents in combination, all without explanation or justification. Indeed, in issuing the rejection the Examiner states only that the new rejection is a "consequence" of Applicants overcoming the former rejection (Office Action, page 2). How the new rejection is a "consequence", i.e. was caused by, Applicant's successful traversal of the prior rejection is unstated, and is unknown to Applicants. To wit, there is no apparent causal connection at all between the rejection just withdrawn and the new grounds for rejection raised. Moreover, the Examiner references no amendment or other change or addition to Applicants claims that somehow precipitate any new prior art search or otherwise motivate the present rejection on the newly cited patents.

Applicable examination rules are clear:

> *"The examiner's action will be complete as to all matters, except that in appropriate circumstances, such as misjoinder of invention, fundamental defects in the application, and the like, the action of the examiner may be limited to such matters before further action is made."*
>
> 37 CFR Section 1.104(b).

Moreover, *"[p]iecemeal examination should be avoided as much as possible. The examiner should reject each claim on all valid grounds available, avoiding, however, undue multiplication of references."* MPEP Section 707.07(g). Nonetheless, and despite these

requirements, the instant rejection in the Office Action has been apparently newly conceived and applied, and only after Applicants spent considerable time and effort addressing and overcoming what they thought was the only substantive obstacle to having at least some of their claims allowed. Applicant submits it is hard to conceive of a clearer instance of piecemeal prosecution working both to Applicant's detriment and causing them greater consternation (not to mention time and effort) in prosecution.

The rejection is both substantively and procedurally flawed and untimely asserted. Applicants deserve to know and have notice of the results of the Examiner's search and his *complete* findings, including determinations of patentability as early in the examination of the application as is possible. Absent compelling reasons, the Examiner's time for issuing the instant rejection should passed long ago and fairness dictates it should not now stand.

For this reason, and for reasons which follow addressing the merits of the newly raised rejection, Applicant respectfully solicits its reconsideration and withdrawal.

With respect to the rejection as asserted, and as it pertains to all claims affected, Applicants respectfully point out that the rejection is improper given that:

1) The cited patents fail to disclose all elements of the claims, whether explicitly present or present by dependency; and

2) The Examiner neither points to nor relies upon any facts or evidence teaching, motivating or suggesting the asserted modification and combination of references.

Each of the above deficiencies, either taken together or alone, demonstrate the Examiner has failed to make out a *prima facie* case of obviousness

Background

Kuriacose provides an apparatus for encoding/decoding a HDTV signal that includes a priority selection processor for parsing compressed video codewords between high and low priority channels for transmission.

Graham discloses an apparatus and a method for reducing television bandwidth in transmission, which decreases the channel capacity requirements by reducing the redundancy in signals transmitted. Graham discloses a method for prediction of a signal point, based on adjacent "picture elements" in the same line (and in the same scanning pattern field).

The Examiner acknowledges, however, that Kuriacose, at the very least, does not teach features related to generating a predictive DC value with a selected DC value as claimed.

The Examiner bridges the acknowledged gap by citing Graham and asserting that "the values of Graham's left, upper, and upper left pixels are substituted with Kuriacose's DC values of a left block (B3), upper block (B2), and upper left block (B1), respectively, for prediction process." Office Action, page 5.

The Examiner then concludes that "it would have been obvious to one of ordinary skill in the art, at the time of the invention, to use Graham's adaptive prediction means for Kuriacose's DPCM for coding the DC values of each block." Office Action, page 5. Applicants respectfully disagree.

The Combination of Graham and Kuriacose Fails to Disclose All Elements of Applicants' Claims

It is well established that in rejecting claims based on obviousness pursuant to §103, the Examiner must demonstrate that all claimed elements and limitations have been taught or suggested by the prior art. *In re Royka*, 180 USPQ 580 (CCPA 1974). Demonstrably, the rejection, and the asserted combination of patents, does not so account for Applicants claimed elements and limitations.

Kuriacose fails to disclose any method of predicting a DC value ***of a*** target block. Rather, Kuriacose discloses a predicted "frame" (13), stored in buffer storage elements (114) or (115). How and whether any predicted target block is accounted for in said "predicted" frame is not stated. Kuriacose, Column 6 lines 12-14. And even if we can assume, *arguendo*, the "DPCM inherently" requires some predictive DC block value, the Examiner's further statement, unsupported by the disclosure, that Kuriacose references DPCM coding of *both* a predictive DC value and "the DC value" (actual?) of a target block is irrelevant to Applicant's claims wherein a predictive value is sought for an unknown value.

Indeed, Kuriacose appears unconcerned with determining predictive DC values for a target block, but the Examiner nonetheless contends that one of ordinary skill in the art would find it obvious to combine the disclosure of Graham with that of Kuriacose. For one, this contentions is purely speculative, and lacks any asserted factual or evidentiary basis or foundation. Nonetheless, even considering Graham, *arguendo*, in such light the rejection still fails to set forth a *prima facie* case of obviousness.

For instance, the Examiner fails to account for the fact that Graham does not teach or disclose a method for predicting a DC value of a block or for encoding video signals on a block by block basis. In other words, in Graham, predicting a pixel is performed in a spatial domain,

not a transform (frequency) domain. Rather, a DC value, which is a value in the transform domain, is obtained by performing DCT of a block of a video signal in the spatial domain; the DC value is not equal to a pixel. Upon Applicants' careful reading of Graham, no reference to a DC value is disclosed in its prediction method. Given such lack of supporting disclosure, unsurprisingly, the Examiner is silent as to what motivates or teaches combination of Kuriacose with the prediction method described in Graham used for encoding pixel-based (line-based) video signals to reach Applicants claims.

While Graham does not disclose DC coefficients or DC values for the points compared or predicted, it also does not disclose use of coefficients or values as recited in Applicant's claims. Applicant moreover submits that this is at least implicitly recognized by the Examiner where he states Graham discloses "differential values." To wit, the Examiner also recognizes that his asserted combination of references supporting rejection requires Graham's disclosed "values" be somehow "substituted" with DC values from Kuriacose, even though Kuricose never discloses application or use of such values as to left block, upper block, and upper left block in a macroblock, let alone a predictive method based on such.

The Examiner Points To No Teaching, Suggestion or Motivation to Modify Combine the Cited Patents

Aside from failing to disclose all claimed elements and limitations, the rejection also lacks any objective reason or reference to facts supporting the advanced combination of the cited references. Without such the rejection is clearly insufficient, as a matter of law. *Ex parte Levengood*, 28 USPQ2d 1300 (BPAI 1993). Moreover, it is also well settled that an obviousness

rejection must be based on facts, not generalities. *Ex parte Saceman*, 27 USPQ2d 1472 (BPAI 1993). Indeed, "cold hard facts." *In re Freed,* 165, USPQ 570, 571-72 (CCPA 1970). When a rejection under §103 is not based on facts, it cannot stand. *Ex parte Porter,* 25 USPQ2d 1144, 1147 (BPAI 1992). Unsupported speculation as to why one of ordinary skill in the art would regard it obvious to modify the methods of Graham and Kuriacose and combine them to reach Applicant's claims (with any reasonable expectation of success) fails to make a *prima facie* case of obviousness. The rejection cannot stand.

Applicants submit the disparities and difficulties apparent in combining Kuriacose and Graham, which also defy any ready explanation by the Examiner, are a by-product of hindsight reasoning the Examiner employed using Applicants' disclosure. In contrast, to support a *prima facie* showing of obviousness, the requisite teaching or suggestion and the reasonable expectation of success must both be found in the prior art, not in Applicants' disclosure. *In re Vaeck*, 20 USPQ2d 1438. Moreover, mere evocation of the level of skill in the art is likewise factually vacant as a basis to provide the requisite suggestion to combine. *Al-Site Corp. v. VSI Int'L Inc.*, 50 USPQ2d 1161 (Fed. Cir. 1999). Where, as here, nothing more is presented, rejection is improper.

In view of the foregoing, favorable action on the merits, and allowance of all claims, respectfully is solicited.

Respectfully submitted,

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